



United States Department of Agriculture
National Agricultural Statistics Service

AGRI-VIEW



USDA, NASS, Minnesota Field Office
P.O. Box 7068 – St. Paul, MN 55107
(651) 201-6030 • (651) 201-6092 FAX
Email: nass-mn@nass.usda.gov - Homepage: <http://www.nass.usda.gov>
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2010 MINNESOTA NET FARM INCOME UP 48 PERCENT

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SUMMARY: Net farm income received by Minnesota farmers in 2010 was up 48 percent from 2009. Increase in farm income was a result of an overall reduction of input costs such as fuel, pesticides, marketing and storage, while most commodity prices received by farmers were above 2009 prices. Employee compensation expenses and interest expenses were down 6 percent and 5 percent respectively, while rent expenses increased 18 percent.

Government payments to Minnesota farmers in 2010 were up 7 percent from 2009. Payments totaled \$566 million.

IN THIS ISSUE:

OUR ANNUAL FARM INCOME REPORT

CASH RECEIPTS: Total cash receipts for Minnesota farms totaled \$15.1 billion, 10 percent above the revised 2009 level of \$13.8 billion. The total value of crops sold, at \$8.96 billion, increased 4 percent from 2009. Corn, the state's largest crop in terms of cash receipts, increased 8 percent. Soybean value increased 2 percent from the previous year, while all wheat decreased 11 percent. Cash receipts from total livestock and livestock products, at \$6.18 billion, were up 19 percent from 2009. Hogs, the state's largest livestock commodity in terms of cash receipts increased 18 percent. Both dairy and cattle and calves cash receipts increased from 2009 at 21 percent and 22 percent, respectively.

Agricultural Research Management Survey (ARMS II)

ARMS is the USDA's primary source of information on the production practices, resource use, and economic well-being of America's farm households.

**Your participation
in ARMS ensures
that decisions
affecting you,
your family,
your business,
and your community
are based
on the facts.**

Underway October 17, 2011



FARM INCOME AND EXPENSES: Minnesota, 2007-2010

Item	2007	2008	2009	2010
----- Thousand Dollars -----				
Value of crop production	6,848,553	10,288,852	8,752,754	9,198,469
Food grains	440,631	661,449	473,984	423,033
Feed crops	3,245,637	4,748,023	3,906,077	4,206,568
Oil crops	2,178,106	2,816,399	2,932,767	2,991,907
Fruits and tree nuts	19,049	23,412	24,380	21,339
Vegetables	376,752	533,176	443,858	405,735
All other crops	787,897	777,261	824,833	908,303
Home consumption	1,804	3,683	2,917	2,773
Value of inventory adjustment 1/	-201,323	725,449	143,938	238,811
Value of livestock production	5,849,694	6,095,538	5,185,204	6,216,151
Meat animals	2,979,454	3,165,139	2,947,981	3,518,900
Dairy products	1,692,108	1,658,262	1,194,476	1,449,322
Poultry and eggs	1,031,951	1,195,881	963,088	1,124,273
Miscellaneous Livestock	77,120	82,329	76,214	88,508
Home consumption	14,191	13,489	14,436	15,805
Value of inventory adjustment 1/	54,870	-19,562	-10,991	19,343
Revenues from services and forestry	1,638,279	1,941,765	1,760,268	1,570,044
Machine hire and custom work	130,157	109,282	116,075	120,746
Forest products sold	8,015	8,055	8,055	8,055
Other farm income	573,688	912,363	698,986	475,408
Gross imputed rental value of farm dwellings	926,419	912,065	937,152	965,835
VALUE OF AGRICULTURAL SECTOR PRODUCTION 2/	14,336,526	18,326,155	15,698,226	16,984,664
Less: Purchased inputs	8,112,572	9,147,547	8,881,382	8,612,663
Farm origin	3,028,200	3,327,617	3,665,712	3,612,494
Feed purchased	1,640,000	1,730,000	1,690,000	1,700,000
Livestock and poultry purchased	528,200	567,617	775,712	682,494
Seed purchased	860,000	1,030,000	1,200,000	1,230,000
Manufactured inputs	2,369,381	2,935,944	2,681,218	2,608,574
Fertilizers and lime	1,010,000	1,320,000	1,260,000	1,270,000
Pesticides	510,000	580,000	530,000	500,000
Petroleum fuel and oils	703,442	882,036	724,931	666,822
Electricity	145,939	153,908	166,287	171,752
Other purchased inputs	2,714,991	2,883,986	2,534,452	2,391,595
Repair and maintenance of capital items	749,863	786,237	785,800	801,915
Machine hire and custom work	164,334	171,510	172,315	125,941
Marketing, storage, and transportation	280,747	347,213	295,265	288,364
Contract labor	22,779	68,601	33,987	16,667
Miscellaneous expenses	1,497,268	1,510,425	1,247,085	1,158,708
Plus: Net government transactions	2,743	46,410	20,114	54,956
(+) Direct Government payments	482,569	544,243	527,900	566,331
(-) Motor vehicle registration and licensing fees	29,826	27,833	27,786	31,375
(-) Property taxes	450,000	470,000	480,000	480,000
GROSS VALUE ADDED	6,226,696	9,225,018	6,836,958	8,426,957
Less: Capital consumption	1,329,107	1,415,166	1,485,418	1,514,595
NET VALUE ADDED	4,897,589	7,809,852	5,351,540	6,912,362
Less: Payments to stakeholders	1,968,960	2,051,632	2,240,724	2,311,347
Employee compensation (total hired labor)	587,192	518,759	682,872	643,253
Net rent received by non-operator landlords	609,363	746,375	790,555	936,067
Real estate and non-real estate interest	772,405	786,498	767,297	732,027
NET FARM INCOME	2,928,629	5,758,220	3,110,816	4,601,015

1/ A positive value of inventory change represents current-year production not sold by December 31. A negative value is an offset to production from prior years included in current-year sales.

2/ Value of agricultural sector production is the gross value of the commodities and services produced within a year. Net value-added is the sector's contribution to the National economy and is the sum of the income from production earned by all factors-of-production, regardless of ownership. Net farm income is the farm operators' share of income from the sector's production activities. The concept presented is consistent with that employed by the Organization for Economic Cooperation and Development.

Source: Economic Research Service, United States Department of Agriculture, Washington, D.C., Internet Web Site: (www.ers.usda.gov/data/)

CASH RECEIPTS FROM FARM MARKETINGS: Minnesota, 2008-2010 1/

Commodity	2008		2009		2010	
	Dollars	Percent of Total	Dollars	Percent of Total	Dollars	Percent of Total
	<u>1,000</u>	<u>Percent</u>	<u>1,000</u>	<u>Percent</u>	<u>1,000</u>	<u>Percent</u>
Meat Animals						
Cattle & Calves	1,095,348	7.0	983,682	7.1	1,204,990	8.0
Hogs	2,053,302	13.1	1,948,809	14.1	2,295,183	15.2
Sheep & Lambs	16,489	0.1	15,490	0.1	18,727	0.1
Dairy Products: Milk	1,658,262	10.6	1,194,476	8.7	1,449,322	9.6
Poultry & Eggs						
Broilers	109,480	0.7	112,605	0.8	111,390	0.7
Chicken Eggs	237,237	1.5	165,025	1.2	167,922	1.1
Turkeys	744,192	4.8	580,500	4.2	736,819	4.9
Other Poultry (Includes Farm Chickens)	104,972	0.7	104,958	0.8	108,142	0.7
Other Livestock and Products						
Honey	13,227	0.1	11,419	0.1	12,807	0.1
Wool	335	2/	241	2/	357	2/
Mink Pelts	14,355	0.1	9,834	0.1	17,395	0.1
All other livestock	54,412	0.3	54,720	0.4	57,949	0.4
Livestock and products	6,101,611	39.0	5,181,759	37.6	6,181,003	40.8
Food Grains: Wheat	656,828	4.2	469,728	3.4	419,944	2.8
Feed Crops						
Barley	25,488	0.2	23,304	0.2	15,498	0.1
Corn	4,525,621	28.9	3,730,480	27.1	4,013,539	26.5
Hay	176,593	1.1	139,998	1.0	164,824	1.1
Oats	20,322	0.1	12,296	0.1	12,708	0.1
Oil Crops						
Flaxseed	1,131	2/	539	2/	602	2/
Soybeans	2,765,883	17.7	2,894,145	21.0	2,963,126	19.6
Sunflowers	42,840	0.3	32,145	0.2	19,073	0.1
Canola	6,544	2/	5,939	2/	9,107	0.1
Vegetable Crops						
Dry Edible Beans	129,164	0.8	57,999	0.4	82,581	0.5
Potatoes, Fall	163,600	1.0	152,941	1.1	132,439	0.9
Snap Beans, processing	3,015	2/	4,619	2/	4,293	2/
Carrots, processing	N/A	N/A	2,403	2/	1,625	2/
Sweet Corn, processing	105,395	0.7	97,501	0.7	77,715	0.5
Green Peas, processing	61,744	0.4	59,902	0.4	39,059	0.3
Other Vegetables	67,477	0.4	68,494	0.5	68,022	0.4
Fruits and Nuts						
Apples	14,867	0.1	15,422	0.1	12,158	0.1
Other Berries	6,146	2/	6,559	2/	6,772	2/
Other Fruits and Nuts	2,399	2/	2,399	2/	2,409	2/
All Other Crops						
Sugarbeets	491,765	3.1	529,922	3.8	608,838	4.0
Greenhouse/nursery	254,208	1.6	261,155	1.9	265,238	1.8
Other Crops	38,690	0.2	38,009	0.3	37,315	0.2
TOTAL CROPS	9,559,720	61.0	8,605,899	62.4	8,956,885	59.2
TOTAL ALL CROPS AND LIVESTOCK	15,661,331	100.0	13,787,658	100.0	15,137,888	100.0

N/A = Not Available

1/ The value of sales for some commodities is included in the appropriate category labeled "other" or "miscellaneous"

2/ Percent of total calculated to less than one-tenth of one percent.

Note: Percent may not add due to rounding.

Source: Economic Research Service, USDA, Washington, D.C. (www.ers.usda.gov/data/)

AVERAGE FARM BUSINESS BALANCE SHEET
By Farm Type, Minnesota, 2008-2009 1/

Item	Rural Residence Farms		Intermediate Farms		Commercial Farms	
	2008	2009	2008	2009	2008	2009
Dollars per Farm						
Farm Assets	523,455	499,856	952,245	859,256	2,698,131	2,468,920
Current Assets	30,165	29,288	93,907	78,351	506,864	482,144
Livestock Inventory	3,208	3,561	8,652	10,512	73,218	46,968
Crop Inventory	4,843	6,662	34,479	32,008	240,807	230,383
Purchased Inputs	N/A	1,225	9,176	3,928	N/A	51,009
Cash invested in growing crops	121	251*	1,977	813	9,981	10,196
Prepaid Insurance	266	291	880	812	5,804	4,806
Other Assets 2/	20,639	17,298	38,742	30,278	119,633	138,782
Non-current Assets	493,290	470,569	858,338	780,905	2,191,267	1,986,776
Investment in Cooperatives	810	861	4,101	2,993	47,440	48,689
Land and Buildings 3/	455,949	432,783	733,239	667,030	1,696,207	1,506,254
Operators' Dwelling	99,375	104,643	92,576	109,807	120,902	106,333
Farm Equipment	32,814	32,075	102,176	89,782	380,249	387,905
Breeding Animals	3,717	4,850	18,823	21,101	67,370	43,928
Farm Liabilities	30,677	59,432	59,432	79,223	430,838	438,534
Current Liabilities	6,352	6,517	17,580	22,078	176,866	195,551
Notes payable within one year	2,302	2,579	7,690	9,706	106,731	126,606
Current portion of term debt	2,333	2,304	5,438	7,326	36,558	34,633
Accrued Interest	869	798	1,649	2,225	11,918	12,127
Accounts Payable	847	837	2,802	2,821	21,659	22,185
Noncurrent Liabilities	24,325	21,704	41,852	57,145	253,971	242,983
Nonreal Estate	1,368	2,133	8,210	10,800	64,447	60,243
Real Estate	22,957	19,570	33,642	46,346	189,524	182,740
Farm Equity	492,778	471,635	892,813	780,033	2,267,293	2,030,386

1/ ERS Farm Typology is defined at www.ers.usda.gov/DATA/ARMS/GlobalHelp.htm.

2/ Includes accounts receivable, certificates of deposit, checking and saving balances, and any other financial assets of the farm business.

3/ The value of the operators' dwelling and any associated liabilities were included if the dwelling was owned by the farm business.

Source: Agricultural Resource Management Survey (ARMS), USDA, Internet Web Site (www.ers.usda.gov/DATA/ARMS/).

Last updated: May 2011

*The estimate is statistically unreliable due to the combination of a low sample size and a high sampling area.

Douglas Hartwig
Director

Dan Lofthus
Deputy Director